

LOGICAL TELECOM, L.P.

**REPORT OF MANAGEMENT ON
COMPLIANCE WITH THE FEDERAL
COMMUNICATIONS COMMISSION'S
THIRD PAYPHONE ORDER**

March 31, 2009

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Logical Telecom, L.P.
Dallas, Texas

We have examined management's assertion, included in the accompanying Report of Management on Compliance with the Federal Communications Commission's Third Payphone Order 03-235¹ that Logical Telecom, L.P. (the Company) complied with the requirements set forth in the Federal Communications Commission's Order 03-235 for the period of April 1, 2007, through March 31, 2009. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that the Company complied with the aforementioned requirements for the period of April 1, 2007, through March 31, 2009, is fairly stated, in all material respects.

This report is intended solely for the information and use of Logical Telecom, L.P., the Federal Communications Commission, and other parties as prescribed by the Federal Communications Commission Order 03-235 Appendix C section 64.1320(b) and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Spokane, Washington
November 20, 2009

¹ The "Third Payphone Order" refers to *In the Matter of The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, released October 3, 2003, by the Federal Communications Commission (FCC). The requirements of the Third Payphone Order are set forth in the Appendix C of the above referenced Report and Order.

**Report of Management on Compliance with the
Federal Communications Commission's
Third Payphone Order 03-235**

Management of Logical Telecom, L.P. (Logical) is responsible for complying with the requirements set forth in Federal Communications Commission (FCC) 03-235 (Third Payphone Order) as of the date of this report.

Management has performed an evaluation of Logical's compliance with the requirements of the Third Payphone Order as of the date of this report. Based on this evaluation, we assert that Logical has complied with the requirements of the Third Payphone Order.

Logical complied with the requirements of this order in the following manner:

1. Logical has developed a system to identify and collect completed coinless subscriber toll-free payphone calls to completion.

Logical identifies completed coinless calls utilizing the following parameters:

- a. ANI II info digit field with a value of 27, 29, or 70; and
 - b. an answer supervision signal has been received.
2. Logical has designated persons and contracted with Atlantax, a third party clearing house, to be responsible for tracking, compensating, and resolving disputes concerning completed payphone calls.
 3. Logical has developed data monitoring procedures to track completed payphone records from call origination through the payphone compensation process.
 4. Logical has established internal protocols to ensure that any software, personnel, and network changes do not adversely affect Logical's ability to track payphone call records.
 5. Logical creates monthly compensable payphone call files by applying logic that matches call detail records against payphone identifiers to call data to identify and select compensable payphone records.
 6. Logical has developed procedures to incorporate call data into the following required quarterly reports:

Completing Carrier Reports

- a. A list of toll-free numbers dialed from each of the payphone service provider's payphones and ANI for each payphone;
- b. The volume of calls for each number identified in "a" above that were completed by Logical;
- c. The name, address, and phone number of the person or persons responsible for handling Logical's payphone compensation; and
- d. The carrier identification code (CIC) of all facilities-based long distance carriers that routed calls to Logical, categorized according to the list of toll-free and access code numbers identified in "a" above.

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Intermediate Carrier Reports

- a. As of the date of the report, Logical operates a closed-network environment and as a result does not switch payphone originated calls to other facilities-based long distance carriers; therefore, Logical has no intermediate carrier reports to create.
- 7. Logical has developed and implemented procedures and controls internally or through Atlantax to identify, respond to, and resolve disputes.
- 8. Logical has developed and implemented controls around the payphone tracking process to ensure the number of payphone records that fall-out of the process are insubstantial.
- 9. Logical has developed a process and business rules that accurately identify:
 - a. Payphone originated calls –
 - i. Logical identifies payphone originated coinless calls utilizing the following parameter:
 - 1. ANI II info digit field with a value of 27, 29 or 70.
 - b. Completed payphone calls that are compensable to the payphone service providers –
 - i. Payphone calls that are compensable to the payphone service providers are identified as completed coinless calls utilizing the following parameters:
 - 1. ANI II info digit field with a value of 27, 29 or 70; and
 - 2. an answer supervision signal has been received.
 - c. Payphone calls that are incomplete or otherwise noncompensable –
 - i. Incomplete payphone calls that are otherwise noncompensable to the payphone service providers are identified as coinless calls utilizing the following parameters:
 - 1. ANI II info digit field with a value of 27, 29 or 70; and
 - 2. an answer supervision signal has not been received.
 - d. The identity of the payphone service providers to which Logical owes compensation.
 - i. The identity of the payphone service provider is determined by Atlantax, our third-party payphone compensatory clearinghouse, based on information from Logical's call records.
 - ii. All information required to identify the payphone service provider is received and maintained by Atlantax, a third-party payphone compensatory clearinghouse.

**Report of Management on Compliance with the
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